



Division of Insurance

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REPORT SHOWS GREATER PERCENTAGE OF HEALTH INSURANCE PREMIUMS GOING TO HEALTHCARE COSTS - CORRECTED

Denver – A new report on health insurance costs shows that in calendar year 2010, 81 percent of the health insurance premiums collected by Colorado carriers went directly to the cost of providing healthcare services, up from just under 77 percent in 2009.

The annual Health Insurance Cost Report, produced by the Colorado Division of Insurance, also looked at the factors that drive the cost of health care, the financial status of health carriers, and increases in health insurance premiums.

"This report shows that in 2010, health insurance premiums continued to grow at a pace faster than inflation or wages," said Commissioner of Insurance Jim Riesberg. "However, the report also shows that the burden of higher premiums did not fall as heavily on employees as it has in years past."

The report shows:

- In 2010, Colorado health insurance carriers spent 81 percent of premiums on medical expenses; another 17 percent went to administrative expenses and commissions, and just under 2 percent went to company profits. In 2009, slightly under 77 percent of premiums went to medical expenses, 10 percent was spent on administrative expenses 4 percent went to commissions, and about 8 percent went to profits.
- In 2010, about 59 percent of Coloradans were covered by health insurance obtained through their employers, higher than the national average of 55 percent. The percentage of private employers that provide health plans and self-insure at least one of those plans increased from 26 percent in 1998 to 36 percent in 2010. However, from 2009 to 2010 the number of Coloradans covered by employment-based insurance dropped from 61 percent to 58 percent.
- Colorado consumers spent \$7.1 billion on health insurance premiums in 2010, a 22 percent increase from the \$5.98 billion spent on premiums in 2009. The number of insured Coloradans increased from 4.1 million in 2009 to 4.3 million in 2010,

Click [here](#) to download or read the report.

Note: this version corrects a version sent earlier today.

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*The **Colorado Division of Insurance** regulates the insurance industry and
assists consumers and other stakeholders with insurance issues.*

*DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a
fair and competitive business environment in Colorado. Consumer protection is our mission.*